

## Message Text

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PAGE 01 CARACA 05159 162242Z

17

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 IO-10 L-02 PA-01 PRS-01 /092 W

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R 162157Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8775

INFO AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

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EO 11652 NA

TAGS: EFIN VE

SUBJ: NEW INTER-AMERICAN BANK ESTABLISHED IN CARACAS

1. ON MAY 14 THE INTER-AMERICAN SAVINGS AND LOAN BANK (BANCO INTERAMERICANO DE AHORRO Y PRESTAMO) WAS UNOFFICIALLY ESTABLISHED IN CARACAS WITH A CAPITAL OF \$10 MILLION, SUPPLIED BY SIXTEEN COUNTRIES. \$7 MILLION OF THIS CAPITAL IS BEING SUPPLIED BY BRAZIL AND VENEZUELA. THE FIRST BOARD OF DIRECTOS WILL BE HEADED BY BRAZILIAN DR LUIS CARLOS VIERA DA FONSECA. VENEZUELA WILL BE REPRESENTED BY DR MAURICIO TANCREDI CELIS, PRESIDENT OF BANAP (VENEZUELAN BANCO DE AHORRO Y PRESTAMO) AND ALEJANDRO ARMAS.

2. EMBASSY UNDERSTANDS FROM MARIO PITA (AID-WASHINGTON) THAT INITIATIVE FOR BANK CAME FROM LATIN AMERICAN SAVINGS AND LOAN INSTITUTIONS SUPPORTED BY AID. THE CHILEAN, EDUARDO GOMIEN, HAS PLAYED AN IMPORTANT ROLE IN THIS INITIATIVE. BANK EXPECTED TO MAKE LOANS THROUGH FINANCIAL INSTITUTIONS AS WELL AS DIRECTLY TO ULTIMATE RECIPIENTS IN MEMBER COUNTRIES. PRIVATE SAVINGS AND LOAN INTERESTS IN TEXAS REPORTEDLY HAVE PLEDGED \$400,000 FOR THE BANK.

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PAGE 02 CARACA 05159 162242Z

3. THE OFFICIAL ESTABLISHMENT OF THE BANK DID NOT TAKE PLACE BECAUSE THE GOVT OF VENEZUELA HAS NOT YET APPROVED THE LAW PROVIDING FOR VENEZUELAN PARTICIPATION.

4. COMMENT: THE GOV'S FAILURE TO APPROVE VENEZUELAN PARTICIPATION IN THE BANK WAS EMBARRASSING TO LOCAL SUPPORTERS OF THE INSTITUTION AND SOMEWHAT DAMAGING TO VENEZUELA'S IMAGE AS A PROPONENT OF LATIN AMERICAN INTEGRATION. DELEGATES FROM OTHER MEMBER COUNTRIES HAD BEEN INVITED TO PARTICIPATE IN INAUGURAL CEREMONIES ON MAY 14 OVER WHICH THEY UNDERSTOOD PRESIDENT PEREZ WOULD PRESIDE. THEY WERE INFORMED ON THE EVENING OF MAY 13 THAT THE VENEZUELAN CABINET, MEETING THAT SAME DAY, HAD FAILED TO APPROVE THE DECREE LAW PROVIDING FOR VENEZUELAN PARTICIPATION AND THAT THE INAUGURAL CEREMONIES WERE CANCELLED. IN ADDITION TO ITS CAPITAL CONTRIBUTION OF \$3.5 MILLION, THE GOV WAS EXPECTED TO PROVIDE ABOUT \$25 MILLION IN FINANCIAL SUPPORT TO THE BANK.

5. FAILURE OF THE GOV TO APPROVE VENEZUELA'S PARTICIPATION REPORTEDLY IS RELATED TO A CONTROVERSY WITHIN THE GOV OVER THE NEW BANKING LAW, WHICH IS EXPECTED TO BE ANNOUNCED MOMENTARILY. RATHER THAN AUTHORIZE GOV PARTICIPATION IN THE SAVINGS AND LOAN BANK BY SEPARATE DECREE, THE GOV IS NOW REPORTED TO BE CONSIDERING SUCH AUTHORIZATION AS A PART OF THE NEW BANKING LAW. THE OTHER PARTICIPANTS IN THE SAVINGS AND LOAN BANK WERE REPORTED TO HAVE DEPOSITED THEIR CAPITAL CONTRIBUTIONS IN ESCROW WITH THE CENTRAL BANK OF VENEZUELA CONTINGENT UPON VENEZUELAN PARTICIPATION BY JULY 15 AT THE LATEST. THE GOV IS EXPECTED TO AUTHORIZE VENEZUELAN PARTICIPATION IN THE BANK BEFORE MAY 30, WHEN THE PRESIDENT'S SPECIAL ECONOMIC POWERS WILL EXPIRE.

6. EMBASSY WOULD APPRECIATE ANY INFO WHICH BRASILIA COULD PROVIDE ABOUT VIERA DA FONSECA.  
SHLAUDEMANN

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## Message Attributes

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